

**DIVERSIFIED PROPERTIES, INC.**Date June 1, 1971Between (name) 19 Welsh Road (last name first if individual) Essex Fells, New Jersey  
(Address)(a corporation, partnership, individual, herein called the "Borrower") and THE FIRST JERSEY NATIONAL BANK,  
One Exchange Place, Jersey City, New Jersey, (herein called the "Bank").SECTION 1. LOAN AGREEMENT. The Bank, upon execution and delivery to it by Borrower of this agreement, Borrower's promissory note(s), financing statement and completion of other required details will make a loan to Borrower. The promissory note(s) shall be in the face amount of \$ 150,000.00 payable on the terms and at the interest rate set forth in the note(s).

SECTION 2. COLLATERAL. To secure the payment and performance of all obligations of Borrower set forth in this agreement, the note(s) and any other obligations of Borrower to the Bank, Borrower grants to the Bank a security interest in the following collateral:

## 2.1 DESCRIPTION OF COLLATERAL.

**SEE EXHIBIT "A"**RECORDATION NO. 6065-1-A  
JUL 7 1971 -4 32 PM  
INTERSTATE COMMERCE COMMISSION

together with all accessories, substitutions, additions, replacements, parts and accessions affixed to or used in connection with the collateral.

2.2 OTHER PROPERTY OF BORROWER IN BANK'S POSSESSION OR CONTROL. All goods, instruments, documents of title, policies and certificates of insurance, securities, chattel paper, deposits, or other property owned by Borrower or in which Borrower has an interest which are now or may hereafter be in the possession and control of the Bank by documents of title or otherwise.

## 2.3 USE OF COLLATERAL. Borrower shall use the collateral

- ☒ a. In business, or  
☐ b. For personal, family or household purposes, or  
☐ c. In farming operations.

## 2.4 LOCATION OF COLLATERAL.

## (a) Fixtures.

- (1) If the collateral is or will be attached to real estate, the address of the real estate is \_\_\_\_\_  
 \_\_\_\_\_ and the name and address of the record owner, if other than Borrower, is \_\_\_\_\_

(2) If the collateral is or will be attached to the real estate prior to this loan or prior to the perfection of the Bank's security interest, Borrower will furnish the Bank with subordinations by all persons having any interest in the real estate. The names, addresses and interest of all persons whose interests are to be subordinated, other than those set forth in Section 2.4(a)(1) are \_\_\_\_\_

(b) Goods used in more than one state. If the collateral is goods of a type which are normally used in more than one state, the chief place of business of Borrower, if other than the address of Borrower set forth at the beginning hereof, is \_\_\_\_\_

(c) Other Goods. In any other event the collateral will be kept at the following address, if other than the address of Borrower set forth at the beginning hereof. \_\_\_\_\_

## 2.5 SPECIAL TERMS AND CONDITIONS.

THIS AGREEMENT INCLUDES ALL THE TERMS ON THE REVERSE SIDE HEREOF.

**DIVERSIFIED PROPERTIES, INC.**

ATTEST

Witness, Secretary of Corporate Borrower

Borrower's Name

By

THE FIRST JERSEY NATIONAL BANK

By

Payment and performance of the above obligation absolutely, unconditionally and continuously guaranteed.

By \_\_\_\_\_

By \_\_\_\_\_

### SECTION 3. OTHER AGREEMENTS OF BORROWER.

3.1 USE OF PROCEEDS OF LOAN. If the loan is to be used to pay a portion of the purchase price of the collateral, Borrower either will use all the proceeds of the loan to pay the purchase price and for no other purpose, or hereby authorizes the Bank to make payment of the proceeds of the loan directly to the seller of the collateral and to pay premiums on such insurance as may be deemed necessary by the Bank.

3.2 SELL, ETC. Borrower will not sell, exchange, lease or otherwise dispose of the collateral, nor permit any lien or security interest therein, or a financing statement to be filed, other than that of the Bank.

3.3 PRESERVATION. Borrower will maintain the collateral in good condition and repair and preserve it against loss, damage or depreciation in value other than by reasonable wear.

3.4 INSURANCE. Borrower will carry insurance on the collateral against fire, theft and other casualty, including collision, if applicable, in an amount and with insurers satisfactory to the Bank, loss to be payable to the parties as their respective interests may then appear. In the event of any loss or damage to the collateral Borrower forthwith shall notify the Bank in writing and file proofs of loss with the insurers. Borrower, upon request, shall deliver to the Bank the policies or certificates.

3.5 TAXES. Borrower will pay, when due, all taxes, license fees and assessments relating to the collateral or its use.

3.6 AUTHORITY TO BANK. Borrower authorizes the Bank, if Borrower fails so to do, to do all things required of Borrower by Sections 3.3, 3.4 and 3.5 and charge all its expenses to Borrower with interest at 6% from the date incurred by the Bank.

3.7 CHARGING DEPOSIT ACCOUNT. Borrower authorizes the Bank, without demand and acting in its discretion in each instance, to charge and withdraw from any credit balance which Borrower may then have with the Bank or any of its branches any amount which shall become due from Borrower to the Bank under this agreement. The Bank, within a reasonable time, shall advise Borrower of each such charge and the amount thereof.

3.8 REMOVAL AND INSPECTION. Borrower will not remove the collateral from the specified location, except in the normal course of business for temporary periods, without the prior written consent of the Bank and will permit the Bank to inspect the collateral at any time.

3.9 PERFECTION OF SECURITY INTEREST. Borrower will join with the Bank in executing, filing and doing whatever may be necessary under applicable law to perfect and continue the Bank's security interest in the collateral, all at Borrower's expense.

3.10 EXTENSIONS AND RELEASES. Borrower consents to any extension of time of payment, or to any substitution, exchange or release of collateral, and to the addition to or release of any party or person primarily or secondarily liable.

### SECTION 4. GENERAL.

4.1 NEGOTIABILITY OF NOTE(S). The promissory note(s) which this agreement secures is a separate instrument and may be negotiated, assigned, extended or renewed by the Bank without releasing Borrower, the collateral or any guarantor or co-maker.

4.2 LAW GOVERNING. All the terms herein, and the rights, duties and remedies of the parties shall be governed by the law of New Jersey.

4.3 BURDEN AND BENEFIT. All of the benefit hereof shall inure to the Bank, its successors and assigns, and the obligations shall be binding upon the Borrower, his or its heirs, legal representatives, successors and assigns.

4.4 GUARANTOR OR CO-MAKER. If there be more than one borrower, or a guarantor or co-maker of the note(s) or this agreement, the obligation of all shall be primary and joint and several.

4.5 NON-WAIVER BY BANK. The Bank shall not be deemed to have waived any of its rights under this or any other agreement or instrument signed by Borrower unless the waiver is in writing signed by the Bank. No delay in exercising its rights shall be a waiver nor shall a waiver on one occasion operate as a waiver of such right on a future occasion.

4.6 NOTICES. Each demand, notice or other communication shall be served or given by mail or telegraph addressed to the party at its address set forth herein or as changed by written notice to the other party, or by personal service upon the party or its proper officer. Reasonable notice, when notice is required, shall be deemed to be 5 days.

4.7 SEVERABILITY. Any part of this agreement contrary to the law of any state having jurisdiction shall not invalidate other parts of this agreement in that state.

SECTION 5. DEFAULT. Borrower shall be in default under this agreement at any time the Bank deems itself insecure and in all events upon the occurrence of any of the following:

5.1 NONPAYMENT OF PRINCIPAL AND INTEREST. Failure to pay when due the principal of or interest on any note.

5.2 BREACH OF BORROWER'S AGREEMENT. Failure by Borrower to keep, observe or perform any provision of this agreement or any other agreement between Borrower and the Bank.

5.3 MISREPRESENTATION. Misrepresentation or material falsity of any certificate or statement made or furnished by Borrower to Bank whether or not in connection with this agreement.

5.4 INSOLVENCY. Death of, termination of business of or commencement of any insolvency proceedings by or against Borrower or if Borrower becomes insolvent.

SECTION 6. REMEDIES ON DEFAULT. In addition to all the rights and remedies of a secured party upon default set forth in the Uniform Commercial Code, the note(s) and this agreement, the Bank may declare the note(s) immediately due and payable, and

6.1 ASSEMBLE COLLATERAL. May require Borrower to assemble the collateral and make it available at a designated reasonably convenient place.

6.2 COUNSEL FEES AND LEGAL EXPENSE. Charge Borrower reasonable counsel fees and legal expenses incurred by the Bank in retaking and realizing on the collateral.

EXHIBIT "A" TO SECURITY AGREEMENT  
 DATED JUNE 1, 1971  
 FROM DIVERSIFIED PROPERTIES, INC.  
 (BORROWER)  
 TO THE FIRST JERSEY NATIONAL BANK  
 COVERING 162 - 55 TON BOX CARS  
 TYPE PS-1 NUMBERED AS FOLLOWS:

169117	169785	171031	171918	169530
169154	169802	171227	171920	169550
169169	169827	171240	171931	169625
169206	169829	171269	172035	169889
169255	169838	171326	172052	170114
169281	169861	171327	172060	170927
169290	169863	171338	172070	171119
169293	169872	171353	172172	171174
169312	169876	171391	172178	171406
169366	169933	171404	172187	171750
169389	170014	171413	172193	172001
169390	170078	171415	172200	172008
169434	170085	171428	172207	172019
169437	170098	171465	172215	172201
169443	170131	171476	172232	172281
169455	170202	171483	172236	172309
169472	170205	171501	172239	172357
169475	170209	171514	172254	172366
169490	170270	171528	172264	172368
169500	170277	171530	169069	172377
169528	170425	171568	169082	172404
169553	170461	171580	169114	172409
169560	170515	171612	169142	172412
169567	170548	171661	169148	172413
169569	170577	171718	169161	172414
169586	170592	171724	169176	172417
169598	170595	171774	169201	172418
169666	170667	171777	169280	172435
169700	170770	171867	169298	172436
169709	170920	171874	169330	172442
169735	170961	171891	169334	172453
169753	171025	171915	169374	172460
				172467
				172498

FORM OF ACKNOWLEDGMENT  
TO SECURITY AGREEMENT

DIVERSIFIED PROPERTIES, INC.

TO

FIRST JERSEY NATIONAL BANK

State of New Jersey:

: ss.

County of Hudson :

On this first day of June, 1971, before me personally appeared Joseph Bonanno, to me personally known, who being by me duly sworn, says that he is the President of Diversified Properties, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

GAIL QUINN

My commission expires:  
May 6, 1975